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# Los Angeles Homeowners Take to the Streets to Protest Foreclosure Abuses

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## Peter Dreier

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# Los Angeles Homeowners Take to the Streets to Protest Foreclosure Abuses

As the economy continues to hurt working families, and Congress takes its orders from corporate America, many people are asking: where's the progressive protest movement that will galvanize public attention, challenge the undue influence of the Tea Party, and focus public anger on big business?

Throughout American history, progressive protest movements have started with local actions and spread to other places as the word spreads, momentum builds, media pays attention, and politicians wake up.

No issue gets at corporate America's inordinate influence than the epidemic of home foreclosures. In response, a David vs. Goliath battle is developing this holiday season between hard-working families facing foreclosure and banking giants such as Wells Fargo and JP Morgan Chase.

Fed up with Wall Street's stranglehold on our political system, community groups around the country are mounting a protest movement to stop the epidemic of foreclosures. They expect that a wave of protests across the country will help focus public anger, mobilize angry homeowners, force banks to halt the evictions and pressure local, state and national politicians to adopt stronger laws to hold banks accountable for consumer abuses.

For example, in Los Angeles next Thursday, December 16, members of the Alliance of Californians for Community Empowerment (ACCE) -- a statewide community organizing group -- will sponsor a demonstration at a major bank that will include civil disobedience and probably arrests.

The Los Angeles action is part of a burgeoning national movement to reign in the political power of

the banking industry -- the corporate sector most responsible for the current recession. Along with ACCE, groups such as National Peoples Action, the PICO national organizing network, and the Service Employees International Union (SEIU) are mobilizing actions demanding that banks change their practices.

"A small group of rich, greedy bankers crashed the economy and got bailed out by tax payers," explained Peggy Mears, a Fontana homeowner and ACCE campaign leader. "Now the banks are making unprecedented profits. At a time of year when banks are distributing outrageous bonuses to the their top executives, they are kicking more and more families out of their homes. This has to stop."

Despite record profits -- due in large part to the federal bail-outs -- banks are not only pushing families out of their homes but are also refusing to make loans to businesses to create jobs.

Polls show that there is widespread public anger against Wall Street. Americans generally support strong bank reform measures -- consumer protections, requirements that banks renegotiate mortgages for families facing foreclosure, limits on the size of banks (so that they are not "too big to fail"), and new regulations against Wall Street gambling with default swaps and derivatives.

The shake-out of the American economy has left a handful of large banks at the pinnacle of the American corporate power structure. As a growing number of banks have collapsed and been gobbled up by larger institutions, the top six banks -- Bank of America, Wells Fargo, CitiGroup, JP Morgan Chase, Goldman Sachs, and Morgan Stanley) control 79% of total assets (\$9.4 trillion out of \$12 trillion).

Those six mega-banks are on pace to pay out \$143 billion in bonuses and compensation to their top executives this year, which is higher than any year on record except 2007.

Nationwide, about three million families are facing foreclosure this year and 500,000 families have already been pushed out of their homes. Many of them are innocent victims of fraud, deception, and predatory practices. The largest banks are the biggest culprits, responsible for most of the foreclosures.

Despite the new financial reform bill passed in Congress last summer, and the Obama administration's efforts to encourage banks to renegotiate delinquent mortgages with homeowners (though only a voluntary basis), the financial industry continues to abuse homeowners.

Working class and middle class homeowners are facing holiday lockouts from their homes. In California, over 15,000 families face foreclosure every month.

Thursday's protest in LA is part of what the ACCE Home Defenders League is calling Stand Up for the American Dream Day. Families facing foreclosure and/or eviction over the next month will "move in" to a local bank building accompanied by a broad coalition of supporters from the religious community, labor unions, and community groups. Their goal is to put a human face on the failure of big banks to assist hardworking homeowners that are about to lose their homes over the holidays.

One of these families is headed by William and Esperanza Casco, owners of a small business. They've raised their three children in their Long Beach home of 17 years. When their bank, Washington Mutual, was being acquired by JP Morgan Chase, a paperwork error led to the Cascos being offered a lowered payment that they did not need. One day the Cascos received a notice that they were over \$50,000 in arrears, even though they never missed a payment. Two months ago, the bank sold their home. Now the Cascos are now facing the prospect of being evicted over

the holidays.

Like many families facing foreclosure, the Cascos did nothing wrong. They have the ability and desire to pay off their loans, and they followed all the rules, but their banks are ignoring them.

Now, many of these families are fighting back. They won't let their homes -- their most important investment and source of security -- be taken because banks are changing the rules or messing up the paperwork.

The six banking giants have ignored growing calls for policy changes. The activists are not only targeting the nation's largest banks, but also pushing for stronger laws to protect consumers.

They want to expand local court programs that require lenders to participate in mediation with homeowners. In California and elsewhere, the program has helped homeowners avoid foreclosure by getting lenders to agree to permanent loan modifications. ACCE is advocating legislation in California to require banks to negotiate with homeowners to modify loans before they can begin foreclosure proceedings. ACCE is also part of a growing national movement demanding that banks reduce mortgage principal for homeowners who are "under water" -- whose mortgages are worth less than their homes' values because of the unprecedented drop in home prices.

The ACCE protest will begin at 11:30 am on Thursday, December 16th. To find out details, e-mail ACCE organizer Peter Kuhns at [pkuhns@calorganize.org](mailto:pkuhns@calorganize.org).